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AMERICAN ARBITRATION ASSOCIATION

In the Matter of the Arbitration between

Case Number: 01-20-0000-4717

Michael Hunt (Claimant)

-vs-

Debt Assistance Network, LLC (Respondent)

AWARD OF ARBITRATOR

I, Hon. Rebecca A Albrecht, THE UNDERSIGNED ARBITRATOR, having been designated in accordance with the arbitration agreement entered into between the above-named parties, and having been duly sworn, and having duly heard the proofs and allegations of the Claimant, who was represented by counsel, and the Respondent having failed to appear after due notice by mail in accordance with the Rules of the American Arbitration Association, hereby, AWARD, as follows:

Claimant Michael Hunt (“Claimant”) brought this action against Debt Assistance Network, LLC (“Respondent”) for 1) Breach of Contract; 2) Intentional Misrepresentation; 3) Negligent Misrepresentation; 4) Violations of the Arizona Consumer Fraud Act, A.R.S. § 44-1521 et seq.; and 5) Violations of the Credit Repair Organizations Act 15 U.S.C. § 1679 et seq. (“CROA”).

The Arbitrator received and reviewed Claimant’s Pre-Hearing Memorandum with supporting exhibits and heard testimony from Claimant at the final hearing which was held via Zoom Platform on March 17, 2021. After a review of all of the evidence presented by Claimant, the Arbitrator finds as follows:

1. Respondent materially breached its contract with Claimant by 1) by failing to provide Claimant with legal counsel for the American Express lawsuit as agreed; 2) by failing to reach new agreements with Claimant’s creditors, but representing to Claimant that it had done so; and 3) by failing to refund payments to Claimant as Respondent knew or should have known that no new contracts had been entered with the creditors and Claimant.

2. Respondent intentionally and negligently misrepresented material information to Claimant by: 1) representing that Claimant’s contracts with Claimant’s original creditors were amended when they actually were not; 2) concealing the fact that amended contracts were not actually entered into on Claimant’s behalf.

3. Respondent violated the Arizona Consumer Fraud Act by 1) representing that Claimant’s contracts with Claimant’s original creditors were amended when they actually were not; 2) concealing the fact that amended contracts were not actually entered into on Claimant’s behalf.

4. Respondent violated the CROA making misleading representations that it will help repair Claimant’s and consumers’ credit and that its program is superior to other services, despite the immediate negative credit implications, because consumers will be able to reduce their debt load and make debt uncollectible, ultimately resulting in elimination of debt and improvement of their credit worthiness.

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EXHIBIT A

As a result of the foregoing violations, the Arbitrator AWARDS Claimant the following:

1. \$8,192.10 for reimbursement of money paid to Respondent;
2. \$1,469.95 for reimbursement of money paid to Claimant's original attorney who defended the American Express lawsuit;
3. \$15,603.67 in attorney's fees and costs.

The administrative fees of the American Arbitration Association (AAA) totaling \$2,400.00 shall be borne as incurred, and the compensation of the arbitrator totaling \$2,500.00 shall be borne as incurred.

The above sums are to be paid on or before 45 days from the date of this Award.

This Award is in full settlement of all claims submitted to this Arbitration. All claims not expressly granted herein are hereby denied.

April 12, 2021

Date



Hon. Rebecca A Albrecht (ret.), Arbitrator

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